BESTWAY INTERNATIONAL HOLDINGS LIMITED
百威國際控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 718)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2014

The board of directors (the "**Directors**") (the "**Board**") of Bestway International Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2014 together with the comparative figures of year 2013 as follows:–

	Notes	**2014** *HK$'000*	2013 *HK$'000*
Revenue	*4*	**2,255**	524
Cost of sales		**(2,062)**	(500)
Gross profit		**193**	24
Other income	*4*	**394**	1
Administrative expenses		**(7,430)**	(8,837)
Other operating expenses		**(51)**	(1)
Finance costs	*5*	**–**	(144)
Loss before income tax	*6*	**(6,894)**	(8,957)
Income tax expense	*7*	**–**	–
Loss for the year		**(6,894)**	(8,957)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
– Exchange difference on translation of financial statements of foreign operations		**(156)**	(108)
Total comprehensive income for the year		**(7,050)**	(9,065)
Loss per share	*8*		
			(Restated)
Basic and diluted *(HK cents)*		**(0.85)**	(1.21)

* *For identification purposes only*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**16**	127
Exploration and evaluation assets	*9*	**–**	2,409
Mining rights	*10*	**737,561**	735,657
		737,577	738,193
Current assets			
Inventories		**615**	–
Trade receivable	*11*	**1,372**	–
Deposits, prepayments and other receivables		**166**	875
Cash and cash equivalents		**24,514**	444
		26,667	1,319
Current liabilities			
Trade payable	*12*	**1,248**	–
Accrued liabilities and other payables		**2,131**	2,710
Loans from shareholders	*13*	**–**	3,000
		3,379	5,710
Net current assets/(liabilities)		**23,288**	(4,391)
Total assets less current liabilities		**760,865**	733,802
Non-current liability			
Deferred tax liability		**163,913**	163,913
Net assets		**596,952**	569,889
Capital and reserves			
Share capital		**44,796**	37,336
Reserves		**552,156**	532,553
Total equity		**596,952**	569,889

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

1. General

Bestway International Holdings Limited (the "**Company**") is a limited liability company incorporated in Bermuda. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is located at Unit 2606A-2608, Island Place Tower, 510 King's Road, North Point, Hong Kong.

The Company and its subsidiaries (the "Group") were principally engaged in trading of goods and mining business of the natural resources of tungsten.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective on 1 April 2013

In the current year, the Group has applied for the first time the following new and revised standards issued by the Hong Kong Institute of Certified Public Accountants, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2013:

HKFRSs (Amendments)	Annual Improvements 2009 – 2011 Cycle
Amendments to HKAS 1 (Revised)	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 13	Fair Value Measurement

Except as explained below, the adoption of these new and revised standards has no significant impact on the Group's financial statements.

HKFRSs (Amendments) – Annual Improvements 2009-2011 Cycle

HKAS 1 has been amended to clarify that an opening statement of financial position is required only when a retrospective application of an accounting policy, a retrospective restatement or reclassification has a material effect on the information presented in the opening position. Further, this opening statement of financial position does not have to be accompanied by comparative information in the related notes. This is consistent with the Group's existing accounting policy.

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future and those that may not. Tax on items of other comprehensive income is allocated and disclosed on the same basis.

The Group has adopted the amendments retrospectively for the financial year ended 31 March 2014. Items of other comprehensive income that may and may not be reclassified to profit and loss in the future have been presented separately in the consolidated statement of comprehensive income. The comparative information has been restated to comply with the amendments. As the amendments affect presentation only, there are no effects on the Group's financial position or performance.

Amendments to HKFRS 7 – Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32. The adoption of the amendments has no impact on these financial statements as the Group has not offset financial instruments, nor has it entered into a master netting agreement or a similar arrangement.

HKFRS 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 is applied prospectively. HKFRS 13 did not materially affect any fair value measurements of the Group's assets and liabilities and therefore has no effect on the Group's financial position and performance.

(b) New/amended HKFRSs early adopted

Amendments to HKAS 36 – Recoverable Amount Disclosures

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit (CGU) to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal. The amendments are effective for annual periods commencing on or after 1 January 2014. The Group has early adopted the amendments to HKAS 36 in the current period. The disclosure in note 10 has complied with the disclosure requirements of amendments to HKAS 36.

(c) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to HKFRS 10, HKFRS 12, HKAS27 (2011)	Investment Entities[1]
HKFRS 9	Financial Instruments[5]
Amendments to HKFRS 9, HKFS 7 and HKAS 39	Hedge Accounting
HKFRS 14	Regulatory Deferred Accounts[4]
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle[3]

[1] *Effective for annual periods beginning on or after 1 January 2014*
[2] *Effective for annual periods beginning on or after 1 July 2014*
[3] *Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014*
[4] *Effective for annual periods beginning on or after 1 January 2016*
[5] *The mandatory effective date has yet been determined but is available for adoption*

3. Segment Information

The chief operating decision-makers have been identified as the Company's executive directors. Since no active operation took place between the date of acquisition and the end of the reporting period as to the Group's mining business. Therefore, the executive directors consider there to be only one operating segment (i.e. trading business) under the requirements of HKFRS 8.

Revenue of the Group was generated from trading business in the People's Republic of China ("**PRC**") and Hong Kong. The geographical location of customers is determined based on the location at which the goods were delivered. The geographical location of the non-current assets is based on the physical and operating locations of the assets. The following table sets out information about the geographical location of the Group's revenue from external customers and its non-current assets.

	Turnover from external customers		**Non-current assets**	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The Republic of Mongolia ("**Mongolia**")	**–**	–	**737,563**	738,193
The PRC	**1,173**	–	**7**	–
Hong Kong	**1,082**	524	**7**	–
	2,255	524	**737,577**	738,193

For the year ended 31 March 2014, revenue from a customer amounting to HK$1,173,000 (2013: HK$524,000) had accounted for over 10% of the Group's total revenue.

4. Revenue and other income

Revenue of the Group, which is also the turnover of the Group, represents the net invoiced value of goods sold, net of allowances for returns, trade discounts and value-added tax. An analysis of the Group's revenue and other income is as follows:

	2014	2013
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**2,255**	524
Other income		
Interest income on bank deposits	**–**	1
Rental and management fee income	**394**	–
	394	1

5. Finance costs

	2014	2013
	HK$'000	*HK$'000*
Interest charges on other borrowings:		
– wholly repayable within one year	**–**	144

6. Loss before income tax

Loss before income tax is arrived at after charging:

	2014	2013
	HK$'000	*HK$'000*
Auditor's remuneration	**580**	630
Cost of inventories recognised as expenses	**2,062**	500
Depreciation of property, plant and equipment	**63**	72
Impairment loss on property, plant and equipment	**48**	–
Staff costs (excluding directors' emoluments)	**883**	466
Defined contribution costs	**38**	48
Total staff costs	**921**	514
Operating lease charge in respect of office premise	**706**	914

7. Income tax expense

No Hong Kong profits tax has been provided for the year ended 31 March 2014 in Hong Kong as the Group has no assessable profit during the year (2013: Nil).

Enterprise Income Tax ("**EIT**") arising from the PRC is calculated according to the relevant laws and regulations in the PRC. The applicable tax rate for the EIT is 25%. No EIT has been provided for the year ended 31 March 2014 as the Group has no assessable profit during the year (2013: Nil).

Subsidiaries incorporated in Mongolia are subject to Mongolian income tax which is calculated at the rate of 10% on the first 3 billion Mongolian Turgrik ("**MNT**") of taxable income and 25% on the amount in excess thereof. No income tax was provided as these Mongolian subsidiaries have not derived any taxable income during the year end 31 March 2014 (2013: Nil).

8. Loss per share

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of HK$6,894,000 (2013: HK$8,957,000) and the weighted average number of ordinary shares in issue during the year of 814,159,000 (2013: 742,603,000 ordinary shares restated for the share consolidation effective from 7 November 2013).

Diluted loss per share for years ended 31 March 2013 and 2014 are the same as the basic loss per share as the Company has no dilutive potential ordinary shares outstanding during both years.

9. Exploration and evaluation assets

	Group	
	2014	2013
	HK$'000	*HK$'000*
Opening net carrying amount	**2,409**	2,546
Transfer to mining rights *(note 10)*	**(1,904)**	–
Exchange realignment	**(505)**	(137)
Closing net carrying amount	**–**	2,409

10. Mining rights

	Group	
	2014	2013
	HK$'000	*HK$'000*
Opening net carrying amount	**735,657**	735,657
Transfer from exploration and evaluation assets *(note 9)*	**1,904**	–
Closing net carrying amount	**737,561**	735,657

The mining rights represent the rights to conduct mining activities in the location of Nogoonnuur Soum and Tsengel Soum of Bayan-Ulgii Aimag in Mongolia, and have legal lives of 17 to 22 years, expiring in July 2031, March 2033, December 2035 and July 2036, respectively. The mining licenses are issued by Mineral Resources and Petroleum Authority of Mongolia and may be extended for two successive additional periods of 20 years each. In the opinion of the Directors, the application for extension is procedural and the Group should be able to renew its mining licenses at minimal charges, until all the proven and probable minerals have been mined. The Group has appointed a qualified mineral technical adviser to prepare a resource estimation. The Group has also engaged a Mongolian professional firm to review and update the feasibility study report and the environmental impact assessment report on the above tungsten mines. No active mining operation of the Group has taken place yet.

The Group received a letter issued by a Mongolian Province Governor which required the Group to make submission on the timing of commencement of mining operations or otherwise certain mining licenses might be revoked. On 22 May 2013, the Group entered into a memorandum of understanding with China Metallurgical Geology Bureau of Shandong (the "**Contractor**"), pursuant to which the Group agreed to engage the Contractor to conduct mining activities, including development and exploitation of all of its Mongolian tungsten mines. Subsequently on 2 October 2013, the Group engaged Mongolia Zhenyuan Company Limited ("Mongolia Zhenyuan"), an associated company of the Contractor, to conduct mining area geological survey, tunnel investigation and sample collection. The Group and Mongolia Zhenyuan is still in the process of negotiation of the relevant mining terms and consideration for incorporation into a formal and legally binding cooperation agreement which, however, is not yet concluded and entered into up to the reporting date. Once the Group has reached an agreement with Mongolia Zhenyuan on all mining terms and consideration, the Group will commence exploitation of the mines. The Directors expect that the formal agreement will be entered into and the exploitation of the mines will take place no later than the end of 2016.

On 21 August 2013, the Group was informed by its Mongolian legal advisers that certain state inspectors in Mongolia conducted inspection over the Group's tungsten mines and requested the Group to undertake backfilling and technical and biological reclamation of destroyed opencast mining sites area and have proper security fencing and guarding over the minerals deposits ("**the Requests**") by 15 September 2013. As advised by the Group's Mongolian legal advisers, failure to comply with the Requests may result in a fine of not more than MNT1,000,000 (equivalent to approximately US$593) for each of the Requests and there is also the risk of the Group's mining licenses being revoked in accordance with the applicable laws of Mongolia. In response to the Requests, on 6 September 2013, the Company remitted funds to its Mongolian subsidiaries to commence the rehabilitation and restoration work and has instructed its Mongolia legal advisers to communicate with the local government and state inspectors in that regard. The Directors believe that the Company has complied with the Requests in good time to avoid any fine or adverse consequences.

With reference to the opinion from the Group's Mongolian legal advisers dated 27 June 2014, the Directors are of the opinion that the Group is in compliance with all laws and governmental rules and regulations in Mongolia and the Group's mining rights are still in effect and in good standing as at the reporting date.

At the reporting date, the Directors re-assessed the recoverable amount of the mining rights by using fair value less costs of disposal, which is derived by using discounted cash flow analysis. The discounted cash flow analysis has incorporated assumptions that a typical market participant would use in estimating the fair value of the mining rights. The discounted cash flow analysis uses cash flow projection for a period of 3 to 7 years and the discount rates applied to the cash flow projection are 22%-24%. In determining the discount rates, the weighted average cost of capital was used, which is determined with reference to the industry capital structure of market comparables with mining projects, and have taken into account the specific risks encountered by the mining rights. Other key assumptions adopted include estimated selling price, industry average gross margin, estimated mine reserve based on technical assessment reports and the expectation for market development. With reference to the assessment, the Directors are of the view that no impairment in respect of the mining rights was identified for the year ended 31 March 2014.

11. Trade receivable

Ageing analysis of the Group's trade receivable as at the respective reporting dates, based on invoice date is as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**1,372**	–

The Group allows a credit period from 60 to 90 days for the year ended 31 March 2014.

The Group's trade receivable is neither past due nor impaired as at the reporting date and it is related to a customer for whom there was no recent history of default.

12. Trade payable

Ageing analysis of the Group's trade payable, based on invoice date, is as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**1,248**	–

Trade payable is non-interest bearing and is normally settled on terms of 30 days.

13. Loans from shareholders

The amounts due were unsecured, interest free and were fully repaid in November 2013.

14. Event after reporting date

On 15 May 2014, the Company completed the allotment and issue of 150,000,000 new ordinary shares at the subscription price of HK$0.56 per share. The net proceeds generated from the placing amounted to HK$83,700,000 (net of share issue expense of HK$300,000). The placing resulting in the increase in share capital of HK$7,500,000 and share premium of HK$76,200,000 respectively. The net proceeds was intended to be utilised for the development of the joint venture expected to be set up by the Company for engaging in business relating to medical devices and equipment in the PRC and as general working capital of the Group. Details of the subscription were set out in the announcement of the Company dated 15 May 2014.

BUSINESS REVIEW

Capital structure

Placing of Existing Shares and Subscription for New Shares

On 3 October 2013, a substantial shareholder of the Company (the "**Vendor**") and the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent agreed, on a best efforts basis, to procure not fewer than six placees to purchase, and the Vendor agreed to sell, up to 746,000,000 existing shares of the Company at a price of HK$0.047 per share. On 15 October 2013, an aggregate of 746,000,000 shares were successfully placed to not less than six placees, who and whose ultimate beneficial owners are independent third parties of the Company, at the placing price of HK$0.047 per placing share. On 17 October 2013, 746,000,000 Shares, representing 16.65% of the issued share capital of the Company as enlarged by the subscription, were issued and allotted to the Vendor at the price of HK$0.047 each. The net proceeds from the subscription amounted to approximately HK$34 million. For details of the placing and subscription, please refer to the announcements of the Company dated 3, 15 and 17 October 2013 respectively.

Share Consolidation

On 6 November 2013, shareholders of the Company approved the share consolidation on the basis that (i) every five (5) issued and unissued existing ordinary shares of HK$0.01 each in the share capital of the Company be consolidated into one (1) consolidated ordinary share of HK$0.05 and (ii) every five (5) issued and unissued existing preference shares of HK$0.01 each in the share capital of the Company be consolidated into one (1) consolidated preference share of HK$0.05. The share consolidation became effective on 7 November 2013. For details of the share consolidation, please refer to the announcements dated 9, 22, 25 October and 6 November 2013 and the circular of the Company dated 21 October 2013.

Trading of Goods

The Group recorded a revenue of HK$2,255,000 (2013: HK$524,000) which represented an increase in turnover of approximately 330% over the corresponding period last year. Gross profit margin had increased to 8.56% (2013: 4.58%). The increase of revenue and gross profit margin was mainly due to the trading of new high profit margin items during the year. The net loss attributable to the owners of the Company was approximately HK$6,894,000 (2013: HK$8,957,000). The Group's basic loss per share for the year was HK0.85 cent (2013: HK1.21 cent (restated)).

Mining Business

Since completion of the acquisitions of the Mongolia subsidiaries in December 2009, the operation of the Mongolian tungsten mines has remained stagnant. Ms. Yang Lee (our former executive director who has extensive experience in the resources industry) continues to act as consultant to reconsider the overall operating strategy for the mining business in Mongolia.

The Directors re-assessed the recoverable amount of the mining rights by using fair value less costs of disposal, which is derived by using discounted cash flow analysis. Details of the assessment are set out in note 10 to the consolidated financial statements in this announcement.

FUTURE PLAN AND PROSPECTS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Looking ahead, the Directors expect that the operating environment in the trading of goods will be challenging as a sustainable recovery of the world's economy is still uncertain. In order to cope with future challenges and to stay competitive, the Group will explore to broaden the variety of trading items and look for new customers in order to improve the profit margins for the business. Moreover, we will keep on monitoring the development of mining business and will endeavor to further explore the mining business for a return in the future.

The share purchase agreement (the "**Agreement**") entered into between a wholly-owned subsidiary of the Company as the purchaser, the Company and the vendor in relation to an acquisition of group of companies which is principally engaged in the business of exploitation and sale of iron ore in inner Mongolia, the PRC (the "Acquisition") was terminated by an agreement between the parties dated 6 September 2013. Relevant details are set out in the announcements of the Company dated 7 January 2013, 13 June 2013 and 6 September 2013.

According to the ruling from the Stock Exchange, the Acquisition which constituted a very substantial acquisition on the part of the Company was considered as an extreme case and was deemed as a reverse takeover under Rule 14.06(6) of the Listing Rules.

Pursuant to the Rule 14.54 of the Listing Rules, the Stock Exchange would treat the Company proposing a reverse takeover as if it were a new listing applicant. The enlarged group or the assets to be acquired must be able to meet the requirements of Rule 8.05 of the Listing Rules and the enlarged group must be able to meet all the other basic conditions set out in Chapter 8 of the Listing Rules. The Company was required to submit a new listing application according to Chapter 9 of the Listing Rules.

In view of the tremendous cost and time to be incurred for the compliance of listing requirements as being a new listing applicant under relevant Listing Rules, the Directors considers that it is beneficial for the Group to terminate the Agreement.

On 20 March 2014, a wholly-owned subsidiary of the Company and Mr. Li Youqiang entered into a non-legally binding memorandum of understanding in respect of the possible establishment of a joint venture company, which, if formed, will engage in businesses including sale of medical devices and equipment, provision of after-sales technical services, development and manufacture of medical devices and equipment, and investments in medical, health care, pharmaceutical, or medical equipment production and sales enterprises in the PRC.

For the purpose of attaining long term growth and maximising the Shareholders' wealth, the Directors will continue to explore all potential opportunities to broaden the Group's income and development.

FINANCIAL SUMMARY

The Group's revenue for the year ended 31 March 2014 was approximately HK$2,255,000 and the administrative expenses for the year ended 31 March 2014 were approximately HK$7,430,000, which represented a decrease of 15.92% compared to the administrative expenses incurred in last year.

The loss attributable to the owners of the Company for the year ended 31 March 2014 was HK$6,894,000, as compared a loss HK$8,957,000 in the previous year. The decrease in the loss was mainly due to the increase in the Group's revenue and the decrease in administrative expenses.

CURRENT AND GEARING RATIOS

As at 31 March 2014, the Group's bank balances and cash amounted to HK$24,514,000 (as at 31 March 2013: HK$444,000). The Group's net assets value amounted to approximately HK$596,952,000 (as at 31 March 2013: HK$569,889,000) with total assets approximately HK$764,244,000 (as at 31 March 2013: HK$739,512,000). Net current assets were approximately HK$23,288,000 (as at 31 March 2013: net current liabilities of HK$4,391,000). The current ratio was 7.89 times (as at 31 March 2013: 0.23 times) and gearing ratio was 0.22 times (as at 31 March 2013: 0.23 times) represented on the basis of total liabilities over total assets.

CHARGES ON GROUP'S ASSETS

As at 31 March 2014, no assets of the Group are charged to secure the borrowings and banking facilities (as at 31 March 2013: Nil).

CONTINGENT LIABILITIES

As at 31 March 2014, the Group did not have any significant contingent liabilities (as at 31 March 2013: Nil).

FOREIGN CURRENCY EXPOSURE

The Group did not have any significant exposure to and did not hedge against risks associated with foreign currency fluctuation.

EMPLOYEE INFORMATION

As at 31 March 2014, the Group had approximately 11 full time managerial and administrative employees (2013: 9). The Group affords competitive remuneration packages to its employees based on prevailing and industry practice. Compensation policies are reviewed regularly and are designed to reward and motivate productivity and performance.

DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the year ended 31 March 2014 (2013: Nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2014, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with the CG Codes contained in Appendix 14 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Group's audited financial statements for the year ended 31 March 2014 has been reviewed by the Audit Committee. The Audit Committee comprises the three independent non-executive Directors and one non-executive director of the Company, and meets at least twice annually to perform their duties.

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS

Scope of work of BDO Limited

The figures in respect of the preliminary announcement of the Group's result for the year ended 31 March 2014 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong standard on Auditing, Hong Kong Standards in Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 March 2014, the Board has adopted and complied with the code provisions of the CG Codes in so far as they are applicable except for the following deviations.

CG Codes provision A.1.1 stipulates that the Board should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the year, only two regular board meetings were held to review and discuss the annual and interim results. The Company does not announce its quarterly results and hence does not consider the holding of quarterly meetings as necessary.

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year ended 31 March 2014, the positions of chairman and chief executive officer of the Company were vacated. The Company is looking for suitable candidates to fill the vacancies of chairman and chief executive officer as soon as practicable and further announcement will be made by the Company as and when appropriate.

CG Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term subject to re-election. Independent non-executive directors of the Company are not appointed for a specific term. However, all directors of the Company are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

CG Codes provision A.6.7 stipulates that the independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of Shareholders. A non-executive Director and an independent non-executive Director was unable to attend the annual general meeting of the Company held on 17 September 2013 due to his various work commitments.

CG Code provision E.1.2 stipulates that the chairman of the Board should attend the annual general meeting. However, the chairman of the Board was vacated at the annual general meeting of the Company held on 17 September 2013. Mr. Ha Wing Ho Peter, executive Director, attended the annual general meeting and chaired the meeting to answer any possible questions in relation to the Group's affairs.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its own code of directors' securities transactions. Having made specific enquiry of all directors, the directors have complied with the required standard set out in the Model Code, throughout the year ended 31 March 2014.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The announcement is published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.irasia.com/listco/hk/bestway/index.htm. The annual report of the Company for the year ended 31 March 2014 will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

On behalf of the Board
Bestway International Holdings Limited
Ha Wing Ho, Peter
Executive Director

Hong Kong, 27 June 2014

As at the date of this announcement, the Board comprises Mr. Ha Wing Ho, Peter, Mr. Mung Kin Keung and Mr. Mung Bun Man, Alan as executive Directors, Mr. Chee Man Sang, Eric and Mr. Tang Shu Pui Simon as non-executive Directors, and Mr. Chan Wai Man, Mr. Tsui Sai Ming, Steven and Mr. Ng Chun Chuen, David as independent non-executive Directors.